

**YOUR COMMUNITY CONNECTION  
OF OGDEN/NORTHERN UTAH  
FINANCIAL REPORT  
YEARS ENDED JUNE 30, 2011 AND 2010**

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**JUNE 30, 2011 AND 2010**

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Royce J. Richards, J. D., CPA  
Lynn J. Wood, CPA

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Your Community Connection of Ogden/Northern Utah  
Ogden, Utah

We have audited the accompanying statements of financial position of Your Community Connection of Ogden/Northern Utah (a non-profit organization) as of June 30, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Your Community Connection of Ogden/Northern Utah as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2011, on our consideration of Your Community Connection of Ogden/Northern Utah's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Wood Richards & Associates  
Ogden, Utah  
September 12, 2011

C E R T I F I E D   P U B L I C   A C C O U N T A N T S

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**YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2011 AND 2010**

<b>ASSETS</b>	2011	2010
Current Assets		
Cash	\$ 271,355	\$ 535,132
Grants Receivable	92,872	78,446
Other Receivable	2,113	2,263
Prepaid Expenses	14,148	6,115
Investments	42,898	32,091
Total Current Assets	423,386	654,047
Property and Equipment		
Land	254,272	254,272
Land Improvements	23,106	23,106
Buildings	2,359,999	2,359,999
Equipment	244,900	244,900
Less: Accumulated Depreciation	(1,569,000)	(1,480,942)
Total Property and Equipment	1,313,277	1,401,335
Other Assets		
Beneficial Interest in Assets Held by YCC Foundation	1,022,496	849,798
<b>TOTAL ASSETS</b>	<b>\$ 2,759,159</b>	<b>\$ 2,905,180</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts Payable	\$ 19,653	\$ 21,276
Accrued Expenses	19,229	39,035
Wages Payable	35,562	83,608
Compensated Absences	9,746	14,444
Current Portion of Long-Term Liabilities	1,072	2,184
Total Current Liabilities	85,262	160,547
Long-Term Liabilities		
Capital Lease (Net of Current Portion)	-	1,092
Total Long-Term Liabilities	-	1,092
<b>TOTAL LIABILITIES</b>	<b>85,262</b>	<b>161,639</b>
Net Assets		
Unrestricted:		
Designated for Fixed Assets	1,313,277	1,401,335
YCC Foundation	1,022,496	849,798
Undesignated	331,124	426,908
Temporarily Restricted	7,000	65,500
Total Net Assets	2,673,897	2,743,541
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,759,159</b>	<b>\$ 2,905,180</b>

The accompanying notes are an integral part of these financial statements.

**YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND GAINS</b>			
Contributions	\$ 147,807	\$ -	\$ 147,807
Special Events	33,892	-	33,892
United Way	31,411	-	31,411
Grants	727,579	-	727,579
Program Service Fees	128,719	-	128,719
In-Kind Donations	452,455	-	452,455
Membership Dues	1,718	-	1,718
Thrift Store Sales	36,320	-	36,320
Interest and Dividends	29,854	-	29,854
Rental Income	13,966	-	13,966
Miscellaneous Income	2,677	-	2,677
Realized Gain on Investments	-	-	-
Unrealized Gain (Loss) on Investments	160,468	-	160,468
Net Assets Released From Restrictions	58,500	(58,500)	-
<b>TOTAL REVENUE AND GAINS</b>	<u>1,825,366</u>	<u>(58,500)</u>	<u>1,766,866</u>
<b>EXPENSES</b>			
Program Expenses			
Domestic Violence/Victim Assistance Center	765,557	-	765,557
Traditional Housing/Homeless Assistance Center	371,409	-	371,409
Child Care Program	342,285	-	342,285
Family Enrichment Center	202,129	-	202,129
Support Services			
Administration	115,313	-	115,313
Fundraising	39,817	-	39,817
<b>TOTAL EXPENSES</b>	<u>1,836,510</u>	<u>-</u>	<u>1,836,510</u>
<b>INCREASE IN NET ASSETS</b>	(11,144)	(58,500)	(69,644)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>2,678,041</u>	<u>65,500</u>	<u>2,743,541</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 2,666,897</u></u>	<u><u>\$ 7,000</u></u>	<u><u>\$ 2,673,897</u></u>

The accompanying notes are an integral part of these financial statements.

**YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND GAINS</b>			
Contributions	\$ 55,698	\$ 65,500	\$ 121,198
Special Events	26,902	-	26,902
United Way	38,278	-	38,278
Grants	843,135	-	843,135
Program Service Fees	137,238	-	137,238
In-Kind Donations	392,877	-	392,877
Membership Dues	1,795	-	1,795
Thrift Store Sales	31,233	-	31,233
Interest and Dividends	26,103	-	26,103
Rental Income	14,161	-	14,161
Miscellaneous Income	2,870	-	2,870
Unrealized Gain (Loss) on Investments	72,176	-	72,176
Net Assets Released From Restrictions	36,586	(36,586)	-
<b>TOTAL REVENUE AND GAINS</b>	<b>1,679,052</b>	<b>28,914</b>	<b>1,707,966</b>
<b>EXPENSES</b>			
Program Expenses			
Domestic Violence/Victim Assistance Center	588,321	-	588,321
Traditional Housing/Homeless Assistance Center	453,121	-	453,121
Child Care Program	277,989	-	277,989
Family Enrichment Center	313,218	-	313,218
Community Resource Volunteer Leadership Center	207,454	-	207,454
Support Services			
Administration	125,146	-	125,146
Fundraising	25,864	-	25,864
<b>TOTAL EXPENSES</b>	<b>1,991,113</b>	<b>-</b>	<b>1,991,113</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(312,061)</b>	<b>28,914</b>	<b>(283,147)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>2,990,102</b>	<b>36,586</b>	<b>3,026,688</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 2,678,041</b>	<b>\$ 65,500</b>	<b>\$ 2,743,541</b>

The accompanying notes are an integral part of these financial statements.

**YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**WITH COMPARATIVE TOTALS FOR JUNE 30, 2010**

	Program Services					Support Services				
	Domestic Violence/ Victim Assistance Center	Transitional Housing/ Homeless Assistance Center	Child Care Program	Family Enrichment Center	Total Program Services	Admin- istration	Fundraising	Total Support Services	Total 2011	Total 2010
<b>Personnel Expenses</b>										
Salaries and Wages	\$ 367,127	\$ 161,288	\$ 150,199	\$ 89,690	\$ 768,304	\$ 43,890	\$ 31,743	\$ 75,633	\$ 843,937	\$ 946,345
Benefits	40,906	9,493	19,082	11,957	81,438	22,572	2,541	25,113	106,551	117,906
Taxes	29,447	12,190	11,476	6,839	59,952	3,195	2,460	5,655	65,607	95,349
Total Personnel Expenses	437,480	182,971	180,757	108,486	909,694	69,657	36,744	106,401	1,016,095	1,159,600
<b>Other Expenses</b>										
Professional Fees	6,973	6,752	5,185	2,810	21,720	3,096	-	3,096	24,816	25,585
Contract Labor	-	-	-	-	-	-	-	-	-	7,659
Office Supplies	6,810	838	667	4,085	12,400	4,676	899	5,575	17,975	14,602
General Supplies	1,269	2,722	764	262	5,017	15	-	15	5,032	1,504
Janitorial Supplies	458	128	546	76	1,208	-	-	-	1,208	855
Telephone	7,132	2,783	636	1,704	12,255	1,776	141	1,917	14,172	21,402
Utilities	14,539	21,851	5,160	9,742	51,292	3,262	-	3,262	54,554	51,241
Insurance	9,830	10,945	6,375	6,526	33,676	2,026	-	2,026	35,702	32,253
Postage	1,436	873	364	4	2,677	144	313	457	3,134	3,596
Repairs & Maintenance - Building	4,852	20,992	3,501	1,044	30,389	639	-	639	31,028	61,528
Repairs & Maintenance - Equipment	2,817	837	643	318	4,615	3,702	-	3,702	8,317	15,235
Repairs & Maintenance - Vehicles	279	1,487	-	13	1,779	35	-	35	1,814	3,187
Printing	780	260	395	373	1,808	356	240	596	2,404	2,734
Travel	1,802	2,395	143	947	5,287	442	636	1,078	6,365	5,859
Specific Assistance	8,679	2,620	-	2,370	13,669	174	-	174	13,843	36,913
Program Expenses	142	62	4,667	200	5,071	-	-	-	5,071	6,670
In-Kind	206,750	92,945	97,859	50,585	448,139	4,316	-	4,316	452,455	392,877
Food	6,910	-	14,905	-	21,815	5	-	5	21,820	21,979
Dues and Licenses	642	737	808	95	2,282	682	-	682	2,964	3,914
Training, Books & Educational Supplies	3,683	50	270	556	4,559	342	-	342	4,901	6,105
Investment Fees	-	-	-	-	-	5,849	-	5,849	5,849	7,051
Miscellaneous	138	55	56	64	313	7,473	-	7,473	7,786	5,015
Audit Expense	1,956	1,835	1,071	1,245	6,107	743	-	743	6,850	9,200
Appreciation Gifts	46	20	15	5	86	87	301	388	474	1,241
Advertising and Publications	871	570	513	270	2,224	1,057	543	1,600	3,824	4,513
Depreciation	39,283	16,681	16,985	10,349	83,298	4,759	-	4,759	88,057	88,795
Total Other Expenses	328,077	188,438	161,528	93,643	771,686	45,656	3,073	48,729	820,415	831,513
Total Expenses	\$ 765,557	\$ 371,409	\$ 342,285	\$ 202,129	\$ 1,681,380	\$ 115,313	\$ 39,817	\$ 155,130	\$ 1,836,510	\$ 1,991,113

The accompanying notes are an integral part of these financial statements.

**YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**WITH COMPARATIVE TOTALS FOR JUNE 30, 2009**

	Program Services						Support Services					
	Domestic Violence/ Victim Assistance Center	Transitional Housing/ Homeless Assistance Center	Child Care Program	Family Enrichment Center	Support Services Center	Total Program Services	Admin- istration	Fundraising	Total Support Services	Total 2010	Total 2009	
<b>Personnel Expenses</b>												
Salaries and Wages	\$ 312,881	\$ 187,161	\$ 142,584	\$ 146,092	\$ 81,664	\$ 870,382	\$ 53,551	\$ 22,412	\$ 75,963	\$ 946,345	\$ 876,499	
Benefits	38,313	22,904	17,672	20,575	10,951	110,415	5,993	1,498	7,491	117,906	96,509	
Taxes	31,155	20,753	12,131	14,534	7,275	85,848	7,547	1,954	9,501	95,349	86,328	
Total Personnel Expenses	382,349	230,818	172,387	181,201	99,890	1,066,645	67,091	25,864	92,955	1,159,600	1,059,336	
<b>Other Expenses</b>												
Professional Fees	6,653	6,557	5,557	3,625	3,193	25,585	-	-	-	25,585	23,509	
Contract Labor	1,181	5,872	183	-	131	7,367	292	-	292	7,659	12,979	
Office Supplies	4,308	2,844	1,283	3,001	1,906	13,342	1,260	-	1,260	14,602	16,541	
General Supplies	654	245	513	33	59	1,504	-	-	-	1,504	7,818	
Janitorial Supplies	302	149	218	98	88	855	-	-	-	855	329	
Telephone	11,688	3,681	868	2,860	2,305	21,402	-	-	-	21,402	14,252	
Utilities	10,924	21,761	5,367	9,369	3,820	51,241	-	-	-	51,241	50,525	
Insurance	7,774	8,801	5,156	5,703	3,005	30,439	1,814	-	1,814	32,253	27,961	
Postage	940	939	688	314	332	3,213	383	-	383	3,596	3,532	
Repairs & Maintenance - Building	14,601	39,268	4,164	1,641	975	60,649	879	-	879	61,528	67,607	
Repairs & Maintenance - Equipment	3,899	6,263	2,554	849	1,670	15,235	-	-	-	15,235	20,373	
Repairs & Maintenance - Vehicles	331	2,605	-	150	101	3,187	-	-	-	3,187	4,306	
Printing	398	519	494	510	813	2,734	-	-	-	2,734	4,421	
Travel	3,068	1,259	57	1,048	254	5,686	173	-	173	5,859	5,573	
Specific Assistance	23,496	10,566	-	2,836	15	36,913	-	-	-	36,913	26,449	
Program Expenses	-	892	5,778	-	-	6,670	-	-	-	6,670	11,716	
In-Kind	88,813	82,238	52,295	89,511	80,020	392,877	-	-	-	392,877	617,488	
Food	6,945	61	14,525	364	84	21,979	-	-	-	21,979	28,471	
Dues and Licenses	615	1,040	563	287	192	2,697	1,217	-	1,217	3,914	3,874	
Training, Books & Educational Supplies	4,035	123	189	1,228	34	5,609	496	-	496	6,105	9,319	
Bank Charges	-	-	5	-	69	74	6,977	-	6,977	7,051	6,570	
Miscellaneous	2,269	-	-	-	2,729	4,998	17	-	17	5,015	671	
Audit Expense	2,628	2,465	1,438	1,673	996	9,200	-	-	-	9,200	9,209	
Appreciation Gifts	161	153	129	35	730	1,208	33	-	33	1,241	3,244	
Advertising and Publications	605	555	462	471	1,817	3,910	603	-	603	4,513	6,300	
Depreciation	9,684	23,447	3,116	6,411	2,226	44,884	43,911	-	43,911	88,795	92,833	
Total Other Expenses	205,972	222,303	105,602	132,017	107,564	773,458	58,055	-	58,055	831,513	1,075,870	
Total Expenses	\$ 588,321	\$ 453,121	\$ 277,989	\$ 313,218	\$ 207,454	\$ 1,840,103	\$ 125,146	\$ 25,864	\$ 151,010	\$ 1,991,113	\$ 2,135,206	

The accompanying notes are an integral part of these financial statements.



**YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

<b>Cash Flows From Operating Activities</b>	2011	2010
Cash Contributions	\$ 180,936	\$ 161,271
Cash Received for Services	928,877	1,084,031
Cash Paid for Services and Supplies	(1,378,204)	(1,426,225)
Cash Received from Interest and Dividends	29,854	26,103
Net Cash Flows from Operating Activities	<u>(238,537)</u>	<u>(154,820)</u>
<b>Cash Flows from Investing Activities</b>		
Acquisition of Property and Equipment	-	(34,893)
YCC Foundation	-	32,200
Change in Investments	(23,036)	(17,618)
Net Cash Flows from Investing Activities	<u>(23,036)</u>	<u>(20,311)</u>
<b>Cash Flows from Financing Activities</b>		
Principal Payments on Lease Payable	(2,204)	(1,092)
Net Cash Flows from Financing Activities	<u>(2,204)</u>	<u>(1,092)</u>
Net Change in Cash	(263,777)	(176,223)
Cash at the Beginning of the Year	535,132	711,355
Cash at the End of the Year	<u><u>\$ 271,355</u></u>	<u><u>\$ 535,132</u></u>
<b>Reconciliation of Change in Net Assets to Net Cash Flows from Operating Activities</b>		
Increase (Decrease) in Net Assets	\$ (69,644)	\$ (283,147)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Flows from Operating Activities		
(Gain) Loss on Investments	(160,468)	(72,176)
Depreciation	88,057	88,795
(Increase) Decrease in Grants Receivable	(14,426)	30,128
(Increase) Decrease in Other Receivable	150	(1,636)
(Increase) Decrease in Prepaid Expenses	(8,033)	7,851
Increase (Decrease) in Accounts Payable	(1,623)	9,464
Increase (Decrease) in Accrued Expenses	(19,806)	15,184
Increase (Decrease) in Wages Payable	(48,046)	54,384
Increase (Decrease) in Compensated Absences	(4,698)	(3,667)
Total Adjustments	<u>(168,893)</u>	<u>128,327</u>
Net Cash Flows from Operating Activities	<u><u>\$ (238,537)</u></u>	<u><u>\$ (154,820)</u></u>

**Supplemental Schedule of Non-cash Investing and Financing Activities**

During the years ended June 30, 2011 and 2010, the Organization received In-Kind donations of \$452,455 and \$392,877, respectively. In 2010, the Organization acquired a copier through a capital lease in the amount of \$4,368.

The accompanying notes are an integral part of these financial statements.

**YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011 AND 2010**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Your Community Connection of Ogden/Northern Utah (YCC) is presented to assist in understanding YCC's financial statements. The financial statements and notes are representations of YCC's management, who are responsible for their integrity and objectivity.

Operations and Purpose

YCC is a non-profit institution which was organized under the nonprofit corporation laws of the State of Utah. YCC provides services to the public in three main areas: crisis intervention and prevention, education, and homeless services. The Organization receives revenues from federal and state grants, public contributions, program service fees, and investment income.

Cash Equivalents

For the purpose of the statements of cash flows, YCC considers cash and cash equivalents as all deposits in its checking, savings, money market accounts, and all highly liquid debt instruments purchased with an original maturity of three months or less. At times, cash balances in the Organization's accounts may exceed federally-insured limits.

Accounts Receivable

Accounts are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of accounts. The allowance for doubtful accounts at June 30, 2011 and 2010 was \$0.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at fair market value in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011 AND 2010**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. For the years ended June 30, 2011 and 2010 there were no permanently restricted assets.

Property and Equipment

Acquisitions of property and equipment in excess of \$2,500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method with estimated useful lives ranging from 3 to 50 years. Depreciation expense for the years ended June 30, 2011 and 2010 was \$88,057 and \$88,795, respectively.

Income Taxes

YCC qualifies as an organization exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code.

**NOTE 2 – CASH**

At June 30, 2011 and 2010, the bank balances of YCC deposits totaled \$263,104 and \$535,426, respectively, and the book balance was \$271,335 and \$535,132, respectively. Of the bank balance at June 30, 2011 and 2010, \$263,104 and \$535,426 was covered by federal depository insurance, and \$0 and \$0 was uninsured, respectively.

**NOTE 3 – INVESTMENTS**

YCC owns marketable securities, which consist of both donated and purchased amounts. The securities are intended to provide investment income to be used for YCC programs. Investments are presented at fair value. As with all marketable securities, the investments in stocks and bonds are subject to market risk. At June 30, 2011 and 2010, YCC's investments were valued at \$42,898 and \$32,091, respectively. Investments are reported at fair value as follows:

**YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011 AND 2010**

**NOTE 3 – INVESTMENTS (continued)**

	2011	2010
GE Company	\$ 38,814	\$ 29,676
KeyCorp	1,258	1,162
Coca Cola Company	1,682	1,253
Proctor & Gamble	1,144	-
Totals	<u>\$ 42,898</u>	<u>\$ 32,091</u>

**NOTE 4 – LAND, BUILDINGS AND EQUIPMENT**

Land, Buildings and Equipment are summarized as follows at June 30:

**LAND, BUILDING AND EQUIPMENT**

2011	Cost	Accumulated Depreciation	Net Book Value
Land	\$ 254,272	\$ -	\$ 254,272
Buildings and Improvements	2,383,105	(1,390,605)	992,500
Equipment	244,900	(178,395)	66,505
	<u>\$ 2,882,277</u>	<u>\$ (1,569,000)</u>	<u>\$ 1,313,277</u>

2010	Cost	Accumulated Depreciation	Net Book Value
Land	\$ 254,272	\$ -	\$ 254,272
Buildings and Improvements	2,383,105	(1,319,452)	1,063,653
Equipment	244,900	(161,490)	83,410
	<u>\$ 2,882,277</u>	<u>\$ (1,480,942)</u>	<u>\$ 1,401,335</u>

**NOTE 5 – IN-KIND DONATIONS**

YCC depends on volunteers and in-kind donations to aid in the operations of its activities. Contributed services received and recognized as revenues by YCC for the years ended June 30, 2011 and 2010, were \$4,316 and \$3,189, respectively. These contributed services legal and professional services and were reported in the administrative support service. Commodities received and recognized as revenues were \$448,139 and \$389,688, respectively. In addition to volunteer services, YCC uses volunteers for clerical and support services. Using rates contained in a salary survey published by the Utah State Division of Workforce Services, these unrecognized contributions for 2011 and 2010, were \$329,376 and \$427,079, respectively.

**YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH**  
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**JUNE 30, 2011 AND 2010**

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**NOTE 6 – RETIREMENT PLAN**

YCC has defined contribution retirement plan covering eligible employees who have obtained at least 1,000 hours of completed service of employment. The plan has been created in accordance with the Internal Revenue Code Section 403(b). Contributions are made by YCC at 5% of eligible employees' gross salary. Employees may also elect to further contribute to the plan through salary reductions. Contributions to the plan for the years ended June 30, 2011 and 2010 were \$26,817 and \$28,874, respectively.

**NOTE 7 – BENEFICIAL INTEREST IN ASSETS**

YCC transfers assets to YCC Foundation with no variance power. The Foundation's Board of Trustees has the power and authority to determine the amounts of income and principal which will be distributed to YCC. At June 30, 2011, YCC Foundation's investments were valued at \$1,022,496. Those investments earned \$27,794 in interest and dividend income, \$0 in realized gains, and \$150,752 in unrealized gains. At June 30, 2010, YCC Foundation's investments were valued at \$849,798. Those investments earned \$21,132 in interest income, \$0 in realized gains and \$68,693 in unrealized losses. The interest in the Foundation is recorded under Other Assets.

**NOTE 8 – FAIR VALUE MEASUREMENTS**

FASB Statement No. 157, *Fair value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No.157 are described as follows.

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**YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH**  
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**NOTE 8 – FAIR VALUE MEASUREMENTS (continued)**

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets
Level 2	<p>Inputs to the valuation methodology include</p> <ul style="list-style-type: none"><li>• quoted prices for similar assets or liabilities in active markets;</li><li>• quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• inputs other than quoted prices that are observable for the assets of liability;</li><li>• inputs that are derived principally from or corroborated by observed market data by correlation or other means.</li></ul> <p>If the assets of liabilities has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.</p>
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2008.

*U.S. government securities:* Valued at the closing price reported in the active market in which the individual securities are traded.

*Corporate bonds:* Certain corporate bonds are valued at the closing price reported in the active market in which the bond is traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

*Common Stock:* Certain common stocks are valued at the closing price reported in the active market in which the individual securities are traded. Investments in certain restricted common stocks are valued at the quoted market price of the issuer's unrestricted common stock less an appropriate discount. If a quoted market price for unrestricted common stock of the issuer is not available, restricted common stocks are valued at a multiple of current earnings less an appropriate discount. The multiple chosen is consistent with the multiples of similar companies based on current market prices.

**YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011 AND 2010**

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**NOTE 8 – FAIR VALUE MEASUREMENTS (continued)**

*Guaranteed invested contract:* Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

*Certificates of deposit:* Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Organization's assets that are measured at fair value include the investments and the Beneficial Interest in Assets Held in the YCC Foundation.

The following tables sets forth by level, within the fair value hierarchy, the plan's assets at fair value as of June 30, 2011 and 2010.

**Assets at Fair Value as of June 30, 2011**

	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 105,926	\$ -	\$ -	\$ 105,926
Common Stock	45,530	-	-	45,530
Balanced Funds	913,938	-	-	913,938
Total assets at fair value	<u>\$ 1,065,394</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,065,394</u>

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**NOTE 8 – FAIR VALUE MEASUREMENTS (continued)**

**Assets at Fair Value as of June 30, 2011**

	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 83,980	\$ -	\$ -	\$ 83,980
Common Stock	34,244	-	-	34,244
Balanced Funds	763,665	-	-	763,665
Total assets at fair value	<u>\$ 881,889</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 881,889</u>

**NOTE 9 – CAPITAL LEASE**

Revco Equipment Lease Agreement

On December 16, 2009, the Organization entered into a \$4,368 lease/purchase agreement with Revco Leasing Company, LLC. The purpose of the lease was to acquire a copy machine. The agreement calls for monthly payments of \$182. The final payment is due January 16, 2012. The payment of the lease agreement follows:

Year ended June 30, 2012	<u>\$ 1,092</u>
	<u>\$ 1,092</u>

**NOTE 10 – DATE OF MANAGEMENT’S REVIEW**

No significant subsequent events have occurred since the date of the financial statements through September 12, 2011, which is the date the financial statements were available to be issued.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Your Community Connection of Ogden/Northern Utah

We have audited the financial statements of Your Community Connection of Ogden/Northern Utah (a nonprofit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated September 12, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Your Community Connection of Ogden/Northern Utah's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Your Community Connection of Ogden/Northern Utah's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings to be a material weakness listed as "Finding 2011-1."

To the Board of Directors  
September 12, 2011  
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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings to be a significant deficiency listed as “Finding 2011-2.”

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Your Community Connection of Ogden/Northern Utah’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Your Community Connection of Ogden/Northern Utah in a separate letter dated September 12, 2011.

Your Community Connection of Ogden/Northern Utah’s response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit Your Community Connection of Ogden/Northern Utah’s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wood Richards & Associates

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Ogden, UT  
September 12, 2011

## **YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH SCHEDULE OF FINDINGS**

### **FOR THE YEAR ENDED JUNE 30, 2011**

#### **MATERIAL WEAKNESS:**

##### **Finding 2011-1:**

While evaluating the existence and accuracy of grant revenue and receivables we discovered that the Organization had double counted approximately \$177,000 in revenue. This error was caused by recording the revenue and receivables with the accrual of revenue and then again when posting deposits instead of applying the deposits to the receivables.

We recommend control procedures be in place to detect for such overstatements in order to provide and rely on accurate financial information through the year.

Management agrees with the recommendation and will work to implement such control procedures.

#### **SIGNIFICANT DEFICIENCY:**

##### **Finding 2011-2**

While evaluating the existence and completeness of accounts payable and accrued expenses we discovered that a number of these accruals had not been reconciled to the actual obligation. This caused a net overstatement of liabilities to occur by approximately \$25,000, expenses were also overstated by the same amount.

We recommend control procedures be in place to detect such misstatements during the course of the year in order for the interim financial information to be accurate and reliable.

Management agrees with the recommendation and will work to implement such control procedures.

## **YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH SCHEDULE OF FINDINGS**

### **FOR THE YEAR ENDED JUNE 30, 2010**

#### **SIGNIFICANT DEFICIENCIES:**

##### Finding 2010-1:

While evaluating internal controls of the Organization we identified a significant deficiency in the receipting procedures. Cash was being collected by individuals in the Organization and then remitted to two other employees to be deposited at the bank. As cash is passed from person to person and deposited at the bank there was no register tape included with the cash to verify that the full amount of cash makes it from the collection point to the bank deposit.

We recommended a register tape be attached to the bank bag and the tape be reconciled to the cash to ensure the cash is complete. We also recommended the tape be used to post the deposit into the computer system by the Finance Director. Discrepancies between the tape amount and the deposit should be investigated.

Status: The control deficiency has been resolved by following the recommendation above.

##### Finding 2010-2:

While evaluating the internal controls of the Organization we identified significant deficiencies in the separation of duties component of the Organization both in receipting and disbursements. The duties of accounting should be separated from the custody of assets. We found that the accounting duties of posting deposits and the custody of assets in making deposits at the bank were not separated. We also found that nobody independent of the cash disbursement function is reviewing the cancelled checks on the bank statement.

We recommend the Organization remove the assignment of making deposits from the accountant. We also recommend the Organization assign an individual knowledgeable of the Organization's finances to review the cancelled checks on the bank statement; this person should be independent of the cash disbursement functions.

Status: The Organization has changed and enhanced its control procedures surrounding these two areas and has resolved the deficiencies.